Japan: Business Culture

Paul Andrés Mantilla Villán a*, Luisa Fernanda Chaparro b, Leonardo Acevedo Ojeda c

a* Profesional en Comercio Internacional. paulandresmavi@ufps.edu.co, Universidad Francisco de Paula Santander, Colombia.
b Profesional en Comercio Internacional. luisafernandacc@ufps.edu.co, Universidad Francisco de Paula Santander, Colombia.
c Profesional en Comercio Internacional, leonardoao@ufps.edu.co, Universidad Francisco de Paula Santander, Colombia.


ABSTRACT

Japan is one of the most fascinating countries in the world for its culture, traditions, lifestyle, technology, and global influence. To reach this point, its historical trajectory is impressive through centuries and centuries of political changes, different mentalities, wars, natural disasters, and spiritual movements. From the development of the Japanese model based on the Meiji Restoration, a pragmatic reaction of the Japanese nobility to confront the Western powers that imposed themselves on East Asia in the mid-19th century through unequal trade agreements due to their military superiority. This was a true revolution that changed the economic, territorial, political, and social systems.

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1 History
2 Economy
3 Culture
4 International relations
5 Protocols

RESUMEN

Japón es uno de los países más fascinantes del mundo por su cultura, tradiciones, estilo de vida, tecnología e influencia mundial. Para llegar a este punto, su trayectoria histórica es impresionante a través de siglos y siglos de cambios políticos, diferentes mentalidades, guerras, desastres naturales y movimientos espirituales. Desde el desarrollo del modelo japonés que se basa en la Restauración Meiji, una reacción pragmática de la nobleza japonesa para enfrentarse a las potencias occidentales que se imponían en Asia Oriental a mediados del siglo XIX mediante acuerdos comerciales desiguales debido a su superioridad militar. Esta fue una verdadera revolución que cambió el sistema económico, territorial, político y, social.

Japan is an island country in East Asia. It is located between the Pacific Ocean and the Sea of Japan, Russia, and the Korean peninsula. Known as «The land of the rising sun», it is one of the greatest economic powers in the world.

Japan is made up of four main islands: Honshū, Hokkaidō, Kyūshū, and Shikoku, which make up 97% of the country’s total area. It has a population of 127 million people, the tenth-largest in the world.
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The metropolitan area of Tokyo, is the largest urban area in the world in terms of population, hosting more than 30 million inhabitants. Japan is the second-most populous country in East Asia, after China. (Wikipedia, Wikipedia)

From the end of the 12th century (1192) to the 17th century (1603) Japan was led by samurai, but their politicians were unstable and the rebellions and struggles by proxy; finally, Tokugawa managed to defeat their rivals and to establish for imposing his hegemony, which was last until the Meiji Restoration (1868). (hane, 2000).

During this period, conditions were created in Japan for further industrialization and modernization. These conditions can be synthesized into:
- Political unity and stability.
- Development of agriculture.
- Development of transport and national markets.
- The boom in trade, finance, and a wealthy merchant class.
- Growth of manufacturing activities such as crafts and feed.
- Industrial promotion by local governments.
- High level of education.

Xenophobic nationalism was very intense at the beginning, but Japan realized that the West was much more modern and powerful and the internal struggles focused on how to end the bakufu and establish a new government, governed by young samurai. Finally, the forces of the military government were defeated and imperial power restored, the emperor was the rightful head of state, moving from Kyoto, the former imperial capital, which became Tokyo where the new Meiji government was established, in 1868.

The Japanese development model is based on the Meiji Restoration, a pragmatic reaction by the Japanese nobility to confront the Western powers that were imposing themselves on East Asia in the mid-19th century through unequal trade agreements because of their military superiority. This was a real revolution that changed the economic, territorial, political, and, in part, social system. This unique historical fact marked the key points of the Japanese model. (Lobo)

The great military and economic capacity of the powers admired by Japan rested on the exploitation of their colonies; this fierce expansionism ceased with their defeat in World War II
and the occupation of Japan by the United States, which forced a pacifist constitution that prohibited war, the maintenance of an army and colonialism. However, when the goals of the Meiji restoration seemed more unattainable than ever, what was later called the Japanese miracle occurred. Where the economic path was the only way to make its way in the international sphere and away from any international obligations, Japan concentrated its energies on reinventing its industry and leaving behind the prevailing military production along with its violent past. Between 1950 and 1980, Japan grew at an average of 8.5% per year. By the 1980s, speculation that it would become the world's leading economic power was already the order of the day. Japan was finally achieving its historic goal and proving that the economic development and prestige that its efforts had brought. (Ramos).

At the beginning of the new decade, the bubble burst. Rising interest rates caused the price of land to finally collapse and lead to a disastrous financial situation. The next event was the collapse of the Japanese stock market, so companies began to have problems getting financing (Economia)

The truth is that it was not until the new millennium that the economy of this Asian country began to glimpse recovery. With this new boom, the Japanese have managed to maintain a better balance of their economy, especially relying on technological development that keeps them as a world power, and its GDP is above many developed countries.

**Economy, Import and Export**

The agricultural sector is very old, with the average age of the farmer being over sixty. Production is atomized, with an average area per farm of fewer than two hectares. Over the past few decades, Japan has removed some barriers that limited access to its agricultural markets.

Its strength lies in its technological development and the size of some of its companies. Japanese companies maintain a considerable market share in world markets but are limited in their expansion by the price competitiveness of other countries. The industry, therefore, seeks to position itself in the segment where technological innovation and high quality make a competitive difference, for that Japan is the third biggest economy in the world, it´s a country with a lot of opportunities. The main Industries are telecommunications, electronic equipment, automotive production which is one of his highest potentialities.
The economic growth of this country is due to the governmental alliances and industrial alliances which allowed economic freedom, his main commercial countries associates are United States, China, European Union, South Korea, and Hong Kong. Japan has limited natural resources, this country imports most raw materials, alimentary products, fossil Fuels, cereals textiles, among others.

**Relationship between Colombia and Japan**

Colombia is a market that offers security and confidence, and commercial opportunities in sectors such as infrastructure, renewable energy, investment funds, agribusiness, infrastructure in tourism, and the orange economy. (procolombia)

"Colombia is a very important country for us. It is a prosperous market of 45 million people and it is the third-largest economy in Latin America. In Colombia, many Japanese companies are doing different activities with security and confidence (...) Also, in May 2018, Colombia joined the OECD. This is evidence of the progress where Colombia is experiencing, (Kobayashi, s.f.)

“Our relationship with Japan is going through a magnificent moment. We share instruments to strengthen the bilateral relationship such as the Reciprocal Investment Protection Agreement (APRI) and the Agreement to avoid double taxation, signed by Chancellor Carlos Holmes Trujillo in Tokyo, Furthermore, we work with strategic allies such as the Japanese Trade Promotion Agency (JETRO),” said Flavia Santoro, president of ProColombia (Santoro)

In turn, the Ambassador Extraordinary and Plenipotentiary of Japan in Colombia, (Morishita), said: "We know that Colombia is a country with great potential, it is an important market. The Colombian Government has sent a message that we share: we must have a greater connection through free trade and that is why we want to have a greater commitment to using public and private funds to boost SMEs. Besides, we have a connection of values: Colombia is based on the regulations of the legal state and this is a component that we are working together in the WTO.

Japan is the main issuer of Foreign Investment from Asia - Pacific to Colombia. It has accumulated the US $ 485 million in the last decade, according to reports from the Banco de la República's Balance of Payments. The amounts of the invested capital can be considered higher than the official ones, given that some Japanese companies have invested through subsidiaries located in third countries. This investment, the largest in Venture Capital in Latin America, will support Rappi's expansion in the region.
Also, opportunities have been identified in sectors as varied as infrastructure, renewable energy, investment funds, agribusiness, infrastructure in tourism, and the orange economy. In 2018, Colombia’s total exports to Japan reached the US $ 474 million. Among nonmining energy exports, the products that reached this country the most were green coffee, fresh and preserved flowers, products derived from coffee, cocoa toppings, and organic products.

As for tourism, last year Colombia received 8,137 Japanese travelers and today it is estimated that there is enormous potential for Japanese travelers in niches such as culture (heritage destinations, gastronomy, fairs, and festivals) and nature in general (unique landscapes of the world). (Procolombia)

**Meeting Places**

The first appointment is better if you can get an intermediary, the decision makes simpler, preferably this person has to be chooser with great care for tradition the Japanese’s are loyal to their partners if you can’t get an intermediary you should book the appointments

By a phone call is possible that a letter or an e-mail don’t have the same effect.

**The Most Important Places Osaka**

Is one of the tourist places in Japan most visited by international tourists. As the third city with the largest number of inhabitants on the island, Osaka presents a wide variety of activities that make this destination one of the favorites of tourists in Japan.

Located in Osaka prefecture, this city is still one of the most prevalent fishing ports in the country. Here it is possible to enjoy the night attractions from Osaka Bay, where the lights make their best gala. The attractions of the park Universal Estudios Japan, are also located in this tourist place.

**Hiroshima**

Is one of the first worldwide. Beyond the catastrophe for which it is known, Hiroshima is one of the places to visit in Japan of great historical and natural importance. In the Parque de la Paz, one of the most emblematic spaces, there are heartfelt monuments that pay tribute to the victims of the nuclear attack, where the monument to children and the dome of the Atomic Bomb stand out.

The castle of Hiroshima works like a museum and you can visit Miyajima island one of the most beautiful places.
Tokyo

Of the essential attractions in the city center, is the Tokyo Imperial Palace, where in addition to knowing its imperial history, it is possible to know the Chidorigafuchi moat. In the same area, in Tokyo Ramen Street there are hundreds of restaurants specialized in ramen, the typical dish of the country.

Yokohama

After Tokyo, Yokohama is the second-most populous city in all of Japan. Within its main attractions, the Cosmo World Amusement Park attracts young people and adults from all over the world.

If you want to enjoy a privileged view, the Landmark Tower Observatory gives its visitors the best view of the entire city of Yokohama, it is one of the tallest towers in all of Japan.

Protocol

Greetings

The traditional Japanese greeting is a reverence, which depending on the position, age, and social rank it can be longer or shorter, and this shows the respect we have for the person, they are not expected but if you do this it would be a great courtesy. As you reverence, quickly lower your eyes. Keep your palms flat against your thighs.

Usually, the business cards are presented after the reverence, one thing that you can’t forget is don’t put them in your pocket or your wallet, this isn’t seen well so is better that you avoid doing this and avoid show shock or anger during business negotiations, they will think that you have lack self-control and you probably won’t be the right partner and avoid prolonged direct eye contact.

Meetings

Punctuality is a determining factor to establish negotiations, is recommendable to arrive five minutes early.

It’s Important to identify the more important people, the Japanese business culture is hierarchical and this determines the location at the table, the tum to talk and the decision making, after fifteen minutes they would like to know more about you, the Japanese give a lot of importance to the people, to their behavior, to their manners that's why you express your release usually the Japanese's keeping silence during the meeting's, and that they can concentrate better in what they
are listening and make the better final decision, they pay a lot of attention to body languages like gestures, expressions, and movements.

You should be prepared to exchange gifts with business colleagues when you meet them. It is giving a gift that can harm or even end a business relationship.

In Japanese culture, group conception and hierarchical relations are essential in society and business. This cultural pattern has its foundations in Confucianism, a thought that holds that people are ordered vertically. Thus, hierarchical relationships are established as follows: customer (top) and salesperson (bottom), head office (top) and branch (bottom), boss (top) and subordinate (bottom), senior or person with more seniority in the company (top) and junior (bottom).

Schedules and Holidays

It is true that Japan is a highly robotic society and that machines have replaced humans in many jobs, such as in the manufacturing industry and restaurants and hotels, but this evolution has not been enough to meet the labor needs of the Asian country, which has had to relax its rigid immigration laws in the face of the need for human workers.

In Japan the people usually work eight hours daily with one hour-break to lunch, some big industries and big chain stores work on weekends, usually, these are closes during one week in the new year, in golden week celebration, at the end of April or beginnings of May and in the Obon festival at mid-august.

Some private companies in the country have launched their programs. For a little less than two years now, Yahoo Japan has been offering its staff to take three days off a week to improve their productivity. The initiative is not new. It was launched at the beginning of the last century and is now beginning to re-emerge as a way of reducing public stress and environmental impact.

Business Practices

Business Typical Costume

Japanese's are conservative people at the time of dressing, usually, the men wear dark suits, like grey color or dark blue coral, brown color is not recommendable, white shirts, dark ties without lines or details and dark shoes, and dark shoes, in the case of women dark tailors it, can be with
trousers or skirts but not too short, sneakers not too high and a little of makeup. You shouldn't wear extravagant clothes nor sports clothes, at least that your Parmer dedicates to fashion design.

**Business**

At the beginning of the meetings, business card exchange is considered important, is impolite not to do it, the card has to be written in both languages. Japanese and for example Columbian depend on the country of origin, you have to try to focus on the old people inside the meetings room it means respect in Japan and then you can focus on the others, it´s probably they ask about your life, about your family, the education, the salary, because are important things to them. If maybe you don’t want to answer never lose your respect focus and gratitude, it´s necessary don’t argue during frost minutes of the conversation. The reputation of the enterprise is very important in the Japanese market, start with punctuality. The Japanese value time. If you aren´t a punctual person this could damage your image and don’t forget the tips on the previous page, you can get a plus point with a gift which is a gesture very appreciated by businessmen in Japan, but don’t worry it doesn’t matter if it´s luxurious or not, it´s big or small, what matters is the detail and the way that is given it´s known like "Hoso" where is so important the way deliver it and the way to pack it as much as the gift itself. You have to give him (the Japanese businessman) with both hands and you have to take a bow. The businessman may reject it several times before receiving it. Remember that in Japan the hierarchy must be respected if the gift is given in public you have to realize the higher charges into the organization, preferably deliver the gifts at the end of the meeting, and then these will be opened.

**Another recommendation is “BE PATIENT” an intelligent because in Japan**

Entrepreneurs give the feeling that they don’t have clear answers about the interest, that’s why you need to be patient, the Japanese will not tell you what they are expected of you, so don’t do anything indirectly always be direct with what you say, and finally, you could achieve business with the Japanese, and always keep a smile even if you are upset.
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